

The complaint

Mr E and Ms F have complained about the service they received from Avantia Insurance Limited trading as Homeprotect.

What happened

Mr E and Ms F complained about the service they received at renewal following making an escape of water claim on their policy. Separate complaints have been made about the underwriter, so this decision concerns only the actions of Avantia.

Avantia responded to the complaint, apologised and offered £150 in compensation. Mr E and Ms F didn't accept this and referred their complaint here. Our investigator thought the compensation offered was fair. He didn't recommend that the complaint be upheld.

Further investigation led to Avantia agreeing to refund the cost of the full home emergency cover for which they had been charged £43.99. The investigator thought that this was fair Mr E and Ms F agreed, but didn't accept this in settlement of their complaint.

As full agreement wasn't reached the matter was passed to me to determine.

I issued a provisional decision saying as follows:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I've summarised the background to this complaint - no discourtesy is intended by this. Instead, I've focused on what I find are the key issues here. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I've reviewed the file and considered the representations Mr E and Ms F have made with care. In this decision I have considered the actions of Avantia only. Having done so I agree with the conclusions reached by our investigator for the following reasons:

- Avantia has a duty to act honestly, fairly and professionally in accordance with the best interests of its customer. I've looked carefully to see if it has done so in the circumstances here.*
- Mr E and Ms F felt that they weren't given enough time to consider the updated policy terms prior to renewal and that reasonable adjustments weren't made for Ms F's dyslexia and dyspraxia. Documents had been sent on 24 August 2022. Ms F called Avantia on 2 September 2022 to explain they hadn't had enough time to consider the documents and they weren't happy that the premium had already been taken. Avantia said that Mr E and Ms F could let it know by 8 September 2022, if they wanted to renew. It explained it wouldn't now automatically renew as a refund had been requested. I think overall that a reasonable period of time was given.*
- I haven't disregarded the submissions regarding Ms F's dyslexia and dyspraxia, but I*

can see she didn't inform Avantia about this until 2023. So I don't find it did anything wrong in this regard in 2022. As our investigator explained, although we will take the Equality Act 2010 into account, this service cannot make a finding on whether there has been a breach of the Act, this is a matter for a court of law. But we will consider whether consumers have been treated fairly, which is what I've done here.

- *Ms F and Mr E were unhappy that the premium payment was taken early. But Avantia explained this didn't affect their 14 day cooling off period. In any event the premium was refunded, I find that was reasonable. Unfortunately, this led to the insurer issuing incorrect renewal documents. However when Ms F called to renew on 8 September 2022 she hadn't received these documents, and agreed on the basis of the premium quoted in the renewal documents she had already received.*
- *Avantia advised that there was a difference in the escape of water excess showing on its system so it would need to refer this to the underwriter. And there was some confusion as Avantia initially said it would honour the renewal date but later said it would need confirmation from the insurer first. Avantia has shown it tried to call back when it received confirmation from the underwriter later that day. Ms F denies this is correct – she is adamant that she didn't receive a call (and has submitted evidence in support of this) and tried to call herself. I'm satisfied that an attempt was made by Avantia to contact Ms F, but it is clear it didn't manage to reach her.*
- *Avantia also recognised that things didn't go as smoothly as they might have. The call on 8 September disconnected and a follow up call didn't take place until 10 September 2022. Mr E and Ms F were very concerned that they didn't have cover for these two days. I find that is understandable. But I note that on 10 September Avantia ensured that Mr E and Ms F did then have the correct policy documents and confirmed the premium and excess, which were agreed. Due to the confusion and concern that cover wasn't in place, Avantia has offered compensation, I find that is fair.*
- *Additionally, Mr E and Ms F were told by Avantia initially that to obtain a copy of its file they would need to raise a complaint. This was incorrect. But I don't find there was any unfairness on the part of Avantia in asking Mr E and Ms F to sign a credit agreement, as they had indicated that they wished to pay monthly.*
- *I agree that the service Mr E and Ms F experienced was less than they could have expected. It is evident that this caused stress, upset and inconvenience to Mr E and Ms F. I find that compensation is due for this, and the confusion referred to above. Avantia has offered compensation of £150. I'm satisfied that is fair and reasonable in all the circumstances.*
- *Ms F and Mr E complained that full home emergency cover was added without their agreement and for which they were charged £43.99. They weren't aware that they had been paying for this previously. Avantia has agreed to refund the payment with interest at 8% simple per annum. I can see that there was a change in the presentation of this payment, which prompted Mr E and Ms F to question it. I find that the refund offered is fair and note agreement has been reached on this point.*

My provisional decision was that Avantia should refund Mr E and Ms F £43.99 plus interest at 8% simple per annum from payment of this sum until settlement.

I said that it had made a fair offer of compensation of £150 which should be paid to Mr E and Ms F.

I said I'd look at any more comments and evidence that I received, but unless the information changed my mind, my final decision was likely to be along the lines of my provisional decision.

Avantia didn't agree with my provisional decision. It said that the policy was taken out online and full home emergency cover was selected online at the point of sale and has been on the policy since this date. It said that the cover wasn't therefore added without the customer's permission. In addition, it pointed out that it asked all customers to read through their documents to ensure that the cover met their needs to contact Avantia to make any changes to cover or cancel the policy with a full refund within the cooling off period.

Ms F, on behalf of herself and Mr E made several points which I have considered. In summary, the main points:

- There is no explanation as to why insurers are justified in increasing the excess and premium so dramatically.
- Ms F said that she never signed a credit agreement and considering that the policy was void she didn't believe that it was ethical to charge, and the monies should be refunded.
- It was not clear how much of the live and current correspondence pertaining to reasonable adjustments had been considered.
- Ms F said that she had asked questions such as 'will the insurers be undertaking an invasive survey when they return to the property to investigate'. She felt that by not answering Avantia was not making reasonable adjustments to correspond clearly in writing to progress the claim.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so I'm not persuaded to change my provisional findings I'll explain why.

I do accept the point Avantia makes with regard to the full home emergency cover and my point wasn't that the cover was added without Mr E and Ms F's permission. However it wasn't always apparent to Mr E and Ms F that there was an additional charge. I can see that the way this was presented on the schedule changed. It was for this reason that I felt it was fair and reasonable to refund this premium for the 2022 renewal. Avantia previously agreed to do this. I remain of the opinion that this refund is fair and reasonable.

I am aware that this is not the only complaint relating to Mr E and Ms F's claim, but here I'm dealing with the issues raised regarding Avantia. The premium and excess is set by the underwriter – and this has formed part of a separate complaint.

In my provisional decision I said that I didn't find there was any unfairness on the part of Avantia in asking Mr E and Ms F to sign a credit agreement, as they had indicated that they wished to pay monthly. I have considered all the documentation, but I'm not persuaded by the representations now made that any refund of premium (other than that indicated above) is due.

I have taken into account Avantia's legal and regulatory obligations to Ms F in determining whether Mr E and Ms F have been treated fairly. But as I said, I'm not able to determine

whether there has been a specific breach under the Equality Act. In all the circumstances I'm satisfied that distress was caused by the service they received, but the offer of compensation is fair.

That said, I do understand that Ms F is keen to know precisely how the claim will progress. However, questions as to the future progress of the claim would be better directed to the underwriter, rather than Avantia. For the avoidance of doubt, my decision concerns only the issues which Avantia have had the opportunity to respond to. Ms E can of course raise questions directly regarding the ongoing investigation.

My final decision

My final decision is that I uphold this complaint in part:

- Avantia Insurance Limited trading as Homeprotect should refund Mr E and Ms F £43.99 plus interest at 8% simple per annum from payment of this sum until settlement.
- Avantia has made a fair offer of compensation of £150, this sum should be paid to Mr E and Ms F.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E and Ms F to accept or reject my decision before 25 October 2024.

Lindsey Woloski
Ombudsman